

Read the text below and answer Questions 22–27.

Setting up your own business

Here are some ideas about how you should start:

Know your market

So you know what you want to sell – the most important thing is that it should be something that people want to buy. Start by thinking about who your target customers are. Are they people who live locally? Are they a particular group of people?

Now look at your competitors. What is different about what you will be doing and how will you persuade people to come to you instead of going to someone who is already established?

How will you reach the customers?

Will you promote your product by phoning people, or visiting local traders, or advertising in magazines or online? Will your delivery system be direct or through shops?

How will your business work?

Now think about what your business needs to succeed. Do you need to look for premises or can you work from home? Do you need to invest in manufacturing equipment to start with?

Is the business something that you can do on your own, or if you get more work will you be looking to recruit staff? If so, what skills would they need?

Whether you're a sole operator or are looking to recruit a team, effective management is essential.

The law regulates how companies are run and you need to set aside the time to see that this is done properly, in relation to issues like accounting, insurance and tax.

The money!

As you are working out the prices for your products, you need to make sure you build in all your costs. Remember you will probably need help from an accountant at least once a year, so build that in too, and do a forecast of how much money you think will flow in and out of the business.

Look at what you expect to happen over the next three years – and work out what you need to do to break even, as well as the turnover that you hope to achieve to give you a profit. If you think you will need to find some funding to help get the business off the ground, how much will you need and who will you approach to get it?

Your business plan

Now write it all up and call it a business plan.